

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE	)	
COMMISSION OF THE APPLICATION OF THE	)	
FUEL ADJUSTMENT CLAUSE OF BLUE GRASS	)	CASE NO. 8062
RURAL ELECTRIC COOPERATIVE CORPORATION	)	
PURSUANT TO 807 KAR 5:056E, SECTIONS	)	
1(11) AND (12)	)	

O R D E R

Pursuant to 807 KAR 5:056E, Sections 1(11) and (12), and following proper notice, a hearing was held on January 29, 1981, to review the operation of the standard fuel adjustment clause to determine the amount of fuel cost that should be transferred to the base rates of the utility and to re-establish the fuel adjustment charge.

The Commission in Case No. 8055 has approved a request by the Applicant's wholesale supplier, East Kentucky Power Cooperative, Inc. (EKP), to transfer (roll-in), to the base rates charged the Applicant, fuel cost in the amount of .105¢ per KWH. Granting EKP's request requires that the Applicant be authorized to transfer these fuel costs to its base rates.

As a part of this review the Commission has analyzed monthly filings made by the Applicant in conjunction with the schedule of over- or under-recoveries of fuel cost filed in this proceeding. The Commission's review indicates the monthly report should be revised in order to obtain a more accurate measure of under- or over-recovery of fuel cost shown in that report.

The Commission after review FINDS:

(1) That the Company's wholesale supplier, EKP, has been authorized to transfer to its base rates in Case No. 8055 fuel cost of .105¢ per KWH.

(2) That an amount of .113¢ per KWH should be added to the rates charged customers in order to transfer, to Applicant's base rates, fuel cost transferred by EKP from the fuel adjustment clause rate to the base rates pursuant to Commission Order in Case No. 8055.

(3) That the revised rates and charges set out in Appendix "A" of this Order are designed only to reflect the transfer to base rates of fuel cost which is currently being recovered in the fuel adjustment clause rate.

(4) That the transfer of fuel costs to the Applicant's base rates will not result in any additional net margin to the Applicant.

(5) That this transfer of fuel cost is most reasonably and practically accomplished by an energy adder to each KWH sold.

(6) That revisions should be made in the monthly report currently being filed by the Applicant.

IT IS THEREFORE ORDERED, that Blue Grass Rural Electric Cooperative Corporation is hereby authorized to transfer to base rates fuel cost transferred by its wholesale supplier, EKP, in Case No. 8055.

IT IS FURTHER ORDERED, that the rates set out in Appendix "A" shall be placed into effect for service rendered on and after April 1, 1981, which is the same effective date approved for EKP.

IT IS FURTHER ORDERED, that the Applicant shall file within twenty (20) days from the date of this Order its revised tariff sheets setting out the rates and charges approved herein.

IT IS FURTHER ORDERED, that the revised monthly report, Appendix "B" to this Order, be used by the Applicant for all filings made after the date of this Order under 807 KAR 5:056E to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 13th day of March, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Voh  
Chairman

Katherine Randall  
Vice Chairman

Don Hargis  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

# APPENDIX "A"

## APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8062 DATED MARCH 13, 1981.

The following rates and charges are prescribed for the customers in the area served by Blue Grass Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

### SCHEDULE GS-1 GENERAL SERVICE\*

#### Rate

First	30 KWH (Minimum)	\$4.85 Per Month
Next	50 KWH	.10016 Per KWH
Next	20 KWH	.06731 Per KWH
Next	100 KWH	.05165 Per KWH
Next	600 KWH	.04768 Per KWH
Next	1,200 KWH	.04511 Per KWH
All Over	2,000 KWH	.04123 Per KWH

#### Minimum Charges

The minimum monthly charge under the above rate shall be \$4.85. Payment of the minimum charge shall entitle the consumer in all cases to the use of the number of kilowatt-hours corresponding to the minimum charge in accordance with the foregoing rate.

### SCHEDULE C-1 COMMERCIAL AND INDUSTRIAL LIGHTING & POWER SERVICE\*

#### Rate

<u>Demand Charge</u>		
First 10 KW of Billing Demand		No Charge
Over 10 KW of Billing Demand Per KW		\$3.64
<u>Energy Charge (Under 50 KW)</u>		
First 30 KWH (Minimum)		\$4.90 Per Month
Next 50 KWH		.09164 Per KWH
Next 920 KWH		.05800 Per KWH
Next 2,000 KWH		.05296 Per KWH
Over 3,000 KWH		.04429 Per KWH

#### Minimum Charges

The minimum monthly charge under the above rate shall be \$4.90 where 5 kva or less of transformer capacity is required.

SCHEDULE LP-1  
LARGE POWER (51 - 500 KW)\*

Rate

Maximum Demand Charge

\$3.64 per month per KW of Billing Demand

Energy Charge (51-500 KW)

First	10,000 KWH	\$0.04624 Per KWH
Next	15,000 KWH	.03954 Per KWH
Next	50,000 KWH	.03394 Per KWH
Next	75,000 KWH	.03165 Per KWH
All Over	150,000 KWH	.02994 Per KWH

SCHEDULE LP-2  
LARGE POWER (OVER 500 KW)\*

Rate

Maximum Demand Charge

\$3.64 per month per KW of Billing Demand

Energy Charge (Over 500 KW)

First	3,500 KWH	\$0.04661 Per KWH
Next	6,500 KWH	.03761 Per KWH
Next	140,000 KWH	.03201 Per KWH
Next	200,000 KWH	.03031 Per KWH
Next	400,000 KWH	.02931 Per KWH
Next	550,000 KWH	.02831 Per KWH
All Over	1,300,000 KWH	.02681 Per KWH

SCHEDULE - SECURITY LIGHTS\*

Rate Per Light Per Month:

175 Watt	-	\$4.32 Per Light
400 Watt	-	\$6.55 Per Light

SCHEDULE - STREET LIGHTING\*

Rate Per Light Per Month:

4,000 Lumen Incandescent (Ornamental)	\$4.36 Per Lamp
6,000 Lumen Incandescent (Ornamental)	5.65 Per Lamp
175 Watt Mercury Vapor (Standard)	4.32 Per Lamp
400 Watt Mercury Vapor (Standard)	6.55 Per Lamp
150 Watt High Pressure Sodium-Standard	4.32 Per Lamp

\*Fuel Adjustment Clause:

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056E.

COMPANY \_\_\_\_\_

POWER SUPPLIER \_\_\_\_\_

Purchased Power - Month of: \_\_\_\_\_

Disposition of Energy (KWH) - Month of: \_\_\_\_\_

Fuel Adjustment Charge (Credit): \_\_\_\_\_

a. Billed by Supplier \$ \_\_\_\_\_

b. (Over) Under Recovery on L20 \_\_\_\_\_

c. Unrecoverable - Schedule 1 \_\_\_\_\_

d. Recoverable Fuel Cost (L1a  
+ L1b minus 1c) \_\_\_\_\_

2. Number of KWH Purchased \_\_\_\_\_

3. Supplier's FAC:

a. \$ Per KWH (L1a ÷ L2) \_\_\_\_\_

b. ¢ Per KWH (L3a x 100) \_\_\_\_\_

4. Sales as a Percent of Purchases  
(100% less percentage on L6) \_\_\_\_\_

5. Calculation of Distributor's FAC:

a. Recovery Rate \$ Per KWH  
(L1d ÷ L2) \_\_\_\_\_

b. FAC \$ Per KWH (L5a ÷ L4) \_\_\_\_\_

c. ¢ Per KWH (L5b x 100) \_\_\_\_\_

Line Loss

6. Twelve Months Average (%) \_\_\_\_\_

7. Last Month Used to Compute L6 \_\_\_\_\_

8. Line loss for Month on L7 (%) \_\_\_\_\_

9. Total Purchases for the Month: \_\_\_\_\_

10. Sales (Ultimate Consumer) \_\_\_\_\_

11. Company Use \_\_\_\_\_

12. Total Sales (L9 + L10) \_\_\_\_\_

13. Line Loss and Unaccounted For  
(L9 Less L12) \_\_\_\_\_

Under or (Over) Recovery

14. Last Distributor FAC Rate Billed  
to All Cycles \_\_\_\_\_

15. Gross KWH Billed at the Rate on L14 \_\_\_\_\_

16. Adjustments to Customer Bills (KWH) \_\_\_\_\_

17. Net KWH Billed at the Rate on L14  
(L15 Less L16) \_\_\_\_\_

18. FAC Revenue (Refund) Resulting  
From the Rate on L14 \_\_\_\_\_

19. Fuel Charge (Credit) Used to  
Compute the Rate on L14 \_\_\_\_\_

20. Total (Over) Under Recovery  
(L18 Less L19) \_\_\_\_\_

Line 5c above reflects a Fuel Adjustment Charge (Credit) of \_\_\_\_\_ ¢/KWH to be applied to bills rendered on and after \_\_\_\_\_, 19\_\_\_\_. Date of Issue \_\_\_\_\_, 19\_\_\_\_. Issued by \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

Telephone Number \_\_\_\_\_

CALCULATION OF UNRECOVERABLE FUEL COST  
DUE TO EXCESSIVE LINE LOSS  
FOR THE MONTH ENDED

- |  |          |
|--|----------|
| 1. Purchases For the Month (KWH)   |          |
| 2. Less Line Loss (10% X L1)   | _____    |
| 3. Sales (L1 less L2)  |          |
| 4. Unrecoverable Fuel Charge Per KWH:  |          |
| a. FAC Rate based on Actual Line Loss<br>(Current Month's Report L3a ÷ (100% Less L6)) | \$ _____ |
| b. FAC Rate based on 10% Line Loss<br>(Current Month's Report L3a ÷ 90%)               | _____    |
| c. Increment unrecoverable   | \$ _____ |
| 5. Unrecoverable Fuel Cost - L4c X L3 carry to Line<br>1b of current month's report)   | \$ _____ |

Note: This schedule is to be filed for each month that the 12 month average Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.